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January 29, 1998

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Magalie Roman Salas
Secretary
Federal Communications Commission
Room 222
1919 M Street, N.W.
Washington, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

RE: EX PARTE COMMUNICATION IN CC DOCKET NO. 92-237/ AND CC DOCKET
NO. 95-155

Pursuant to Section 1.206 of the Commission's Rules, it is hereby noted that on January 29, 1998, attached is a copy of letter sent by Anne La Lena of WorldCom to Richard Metzger, Chief of the Commission's Common Carrier Bureau. Copies of the letter were also sent to Geraldine Matise, Marian Gordon, Erin Duffy and Les Duffy of the Network Services Division. The letter addresses WorldCom's concerns with the North American Number Plan Billing and Collection Agent.

An original and three copies of this notice are being submitted to the Secretary's office for filing in the above referenced dockets. Please contact me in the event of any questions regarding this matter.

Sincerely,

A handwritten signature in dark ink, appearing to read "Rich Fruchterman", written over a horizontal line.

Richard L. Fruchterman, III
Director of Government Affairs

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January 29, 1998

Mr. A. Richard Metzger
Chief, Common Carrier Bureau
Federal Communications Commission
1919 M Street, N.W. Room 500
Washington, D.C. 20554

Dear Mr. Metzger:

WorldCom has been watching with great concern the controversy regarding the billing and collection activity for the North American Numbering Plan (NANP).

On October 9th, the Commission released its *Third Report and Order* and *Third Report and Order*, CC Docket No. 92-237, CC Docket No. 95-155, In the Matters of Administration of the North American Numbering Plan and Toll-Free Service Access Codes, directing that Lockheed Martin IMS (LM) be the administrator for the NANP and that the National Exchange Carrier Association (NECA) serve as the Billing & Collection Agent (B&C Agent). Further, the FCC ordered NECA to incorporate an independent not-for-profit corporation to satisfy neutrality concerns and that if NECA was unwilling or unable to serve then Lockheed Martin be the B&C Agent.

WorldCom is privileged to be a member of the Cost Recovery Work Group (CR WG) under the North American Numbering Council (NANC) and in early November began to work with its colleagues and NECA and LM in their respective B&C roles. NECA handles domestic B&C functions; LM handles non-domestic. Meetings, by phone and in-person, were held to discuss the roles, responsibilities and requirements to be fulfilled. During these meetings various concerns and issues were raised. Yet it was not until the process was well underway that NECA began to vocalize concerns of an ill-defined nature regarding the requirements of the Commission order. Eventually, NECA conveyed that the Order and its requirements carried a cost exceeding what NECA said it could bear based on its bid. Finally, on Dec. 12 at the CR WG meeting, NECA estimated for the first time specific additional dollar amounts needed.

Four days later at the NANC Dec. 16th meeting, NECA provided a second round of dollar estimates on an annual basis, higher than earlier estimates and remarkably close to, and in fact exceeding for two years, the LM bid for performing the B&C function in total. NECA's estimates were: \$415,800; \$422,820; \$438,380; \$456,440 and \$473,550, for each of the five years.

Three days later at a NANC Dec. 19th Steering Committee conference call, NECA provided a third set of dollar estimates, drastically shorn from the two previous sets of estimates, in the wake of dismay and dissatisfaction voiced by NANC at its meeting. NECA's reduced estimates were: \$327,800; \$336,300; \$348,350; \$362,850 and \$376,000, respectively.

During the Steering Committee call, a vote was taken of the members to recommend to the full council that LM replace NECA as B&C Agent. The vote passed immediately. The NANC Chair then polled the full Council members via e-mail from Dec. 22 to Dec. 31. The vote was 17 supporting the recommendation, two against and one abstention. Two additional votes supporting the recommendation to replace NECA came in after the deadline. On Jan. 7th, the NANC recommendation to replace NECA with LM as the B&C Agent was conveyed to the Commission. It has not yet been put out for comment.

Two weeks later, at the Jan. 20th NANC meeting, NECA both implored NANC to keep its B&C Agent position and intimated that NECA would resort to legal action if it was replaced as the B&C Agent.

Now, in a Jan. 26 letter to you, NECA has for the fourth time revised its apparent "bid" price and promises to do its job for no more than \$25,000 extra per year for each of the five years and for an additional \$22,000 and \$24,000 in the second and fourth years respectively for the two extra audits if the Commission revises its order.

WorldCom is greatly perplexed by these events and feels compelled to make several observations.

First, WorldCom notes that NECA had the opportunity and the legal right to petition the Commission either for clarification or reconsideration of its Oct. 9th Order regarding the NECA-perceived extra financial burdens. Instead of doing so within the 30-day period allowed by Commission rules, NECA went ahead and began to comply with the order and to bear the extra costs, by drawing up subsidiary incorporation papers, conveying through action it could assume the B&C Agent role and responsibilities.

Second, these financial concerns apparently did not surface even five weeks after the Order's publication. NECA, without even raising the cost issue, merely noted in a Nov. 14th ex parte filing regarding a meeting with the Commission that the separate subsidiary requirement increases the initial complexity of the program and that steps are being taken to ensure the program operates on time.

Third, NECA did not begin to address its financial concerns with the CR WG until late in their meetings, close to two months after the Order's release and well into the time frame for implementation of its B&C activities.

Fourth, the wild swings and dramatic revisions in financial estimates highlight a lack of attention, professionalism and thoughtfulness regarding its responsibilities as the B&C Agent and its commitment to its customers -- the Commission, the NANC and the industry. Certainly, the extreme revision calls into question the accuracy of these estimates and need for revision.

Fifth, NECA's latest bid proposal without any explanatory cost information and its financial history in this matter raises anxiety that more increased funding requests will arise over the next five years.

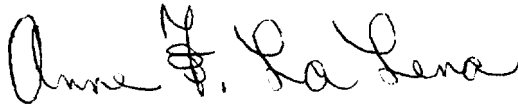
Sixth, the proposed revision of requirements merits concern that NECA will be less than responsive to the independent subsidiary and its customers.

WorldCom knows well the inordinate amount of time that the Commission, and the NANC and its representatives have had to devote to what should be a fairly simple, rather cut and dried operation. For its part, WorldCom is happy to invest its time if the result is a responsive, proactive and competitively neutral B&C Agent who demonstrates its willingness to do the job, and to go the extra mile, affording the same high-quality treatment to all individual customers, without resorting to the refrain of not knowing if it can handle a customer service request under the current financial scheme.

WorldCom makes these comments in the hope that the Commission, the NANC and industry send an unambiguous signal: candor, professionalism and responsiveness are indeed vendor requirements and that if any designated vendor fails to act responsively, or without candor and professionalism, that vendor is indeed unable and unwilling to perform the job and such behavior is breach of requirements and is most suitable grounds for replacement, regardless of ill-mannered threats of legal action. Indeed, such a vendor failing in this regard would do well to only be replaced.

WorldCom believes that because NECA did not file a timely petition for reconsideration for the FCC to revise its Order and/or requirements, NECA should undertake the B&C Agent function at its original bid price, with only the identified dollar increase for the two additional audits, or it should be replaced by LM as the B&C Agent as NANC recommended because NECA is unable and unwilling to perform the responsibility it undertook.

Sincerely,

A handwritten signature in cursive script, reading "Anne F. La Lena".

Anne F. La Lena
Assistant Director
Regulatory Affairs

cc: Geraldine Matise
Marian Gordon
Erin Duffy
Les Selzer
Alan Hasselwander